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Press Release

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"This state's share of the federal stimulus package first was estimated at \$1.38 billion. Now, analysts say it could rise as high as \$1.8 billion over several coming years.

Great. Either figure will be a blessing. West Virginia needs all the new construction jobs, education upgrading, "green" energy projects and other boosters it can get. Every job created by intensified spending will pump more vitality into the suppressed economy. The White House estimates that Mountain State employment will rise 20,000 from the stimulus. The state contractors association said road construction alone will bring 14,000 direct and indirect jobs.

Meanwhile, in a different vein, West Virginians should remember that Attorney General Darrell McGraw once won a single lawsuit bringing the state more than President Obama's stimulus. Here's the story:

Back in 1994, supported by many health groups, McGraw filed a billion-dollar suit against 23 tobacco and related corporations to recoup West Virginia's medical costs from cigarette illness and death. The litigation was designed to offset giant Medicaid losses and other state government expenses caused by smoking-induced lung cancer, heart disease and the like.

Strangely, former Gov. Gaston Caperton at first refused to let state agencies participate in the recovery action. Also, Kanawha Circuit Judge Irene Berger initially threw out McGraw's filings. But the attorney general persisted, and the case struggled forward. After the huge Liggett Group agreed to pay West Virginia a \$200,000 settlement, Caperton let state agencies join the effort. The case became part of a consolidated national suit.

In 1998, the tobacco industry agreed to pay a colossal settlement to many states. West Virginia was allotted \$1.7 billion in \$70 million installments over 25 years. Then the Mountain State was awarded \$200 million extra because it was one of the first three states to file for cigarette damages. The \$1.9 billion total became a gold mine helping many programs.

In 2007, Gov. Manchin and the Legislature decided to cash in the tobacco money quickly instead of waiting the entire 25 years. The state sold \$900 million worth of bonds, taking immediate funds and letting the bondholders collect the rest of the cigarette payments.

McGraw went on to sue other rapacious industries and firms, collecting millions more for state government. The U.S. Chamber of Commerce and Republican newspapers attacked him ferociously for it - especially because some of the settlements required lawsuit winnings to be disbursed by his office, not by the Legislature. The Chamber opposed McGraw in elections and even funded a small, free, weekly newspaper, The West Virginia Record, partly to denounce him.

In these turbulent times, leaders are striving commendably to stabilize the sinking economy. It's a West Virginia footnote to remember that one McGraw lawsuit brought West Virginia a long-term boost that, if its 25-year payout had continued, would have been larger than the state's share of today's national emergency stimulus. "

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